

Strategic Opportunity at 1169 Weston Road

Date: June 6, 2022

To: Board of Directors, CreateTO

From: Chief Executive Officer

Wards: Ward 5 - York South-Weston

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the Board of Directors of CreateTO and/or the City and a plan to be applied to any negotiations carried on or to be carried on by or on behalf of the Board of Directors of CreateTO.

SUMMARY

On June 8, 2021, City Council adopted item MM34.6 - "Exploring Development Opportunities at 1169 Weston Road and 4 Hollis Street" and requested CreateTO, in consultation with City staff and the Toronto Parking Authority, to explore the development opportunities of the City-owned real estate assets known as 1169 Weston Road and 4 Hollis Street. The development opportunities were to include the following:

- a mixed-use development that provides a variety of community benefits and with the potential inclusion of private land holdings within the immediate vicinity;
- working with the Toronto Parking Authority to identify new parking opportunities in both on and off street locations suitable for replacement of parking spaces within the vicinity of the proposed development, should an investment in parking on-site be deemed not feasible; and
- working with City Planning and Parks, Forestry, and Recreation, to conduct a Cultural Heritage Evaluation Report on the existing building at 4 Hollis Street.

The Mount Dennis neighbourhood is an area of expected rapid change, due to the future Eglinton Crosstown LRT (Mount Dennis) station. The City-owned property municipally known as 1169 Weston Road (Subject Property) is an existing surface carpark (Carpark #651) currently operated by the Toronto Parking Authority within the Mount Dennis neighbourhood. 4 Hollis Street is the current location of the Mount Dennis Community Hall building and serves as the recreation support office for the surrounding

neighbourhoods as well as office and storage space for use by the City's Parks, Forestry, and Recreation Division.

CreateTO staff conducted due diligence on the development potential of the site. This included a highest and best use massing analysis and land valuation exercises while working with City staff and the adjacent private landowner to confirm development opportunities and determined an appropriate strategic next step to return value to the City. This is discussed in detail within the report and in Confidential Attachment 1. This report outlines the strategic next steps to advance an opportunity for disposition of land that could yield city building benefits.

This report recommends that staff pursue negotiations directly with the adjacent private landowner to achieve strategic value for this City-owned real estate asset.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Board of Directors of CreateTO:

1. Authorize the Chief Executive Officer, CreateTO to negotiate a conditional term sheet and conditional agreement of purchase and sale of the City-owned Property at 1169 Weston Road, with the adjacent Private Landowner based on the strategic plan outlined in Confidential Attachment 1; and report back to the Board of Directors of CreateTO on the outcomes of these negotiations by the first quarter 2023.
2. Direct the Chief Executive Officer, CreateTO, in consultation with the Executive Director, Corporate Real Estate Management, the Chief Planner and Executive Director, City Planning, the Executive Director, Housing Secretariat and any other divisions necessary to advance this opportunity, to explore the strategic opportunities identified within Confidential Attachment 1 to the report dated June 6, 2022, and report back to the Board of Directors of CreateTO on a specified recommendation by the first quarter 2023.
3. Authorize the public release of Confidential Attachment 1 following the closing of any agreement of purchase and sale transaction, and at the discretion of the Chief Executive Officer, CreateTO.

FINANCIAL IMPACT

There is no financial impact to CreateTO arising out of the recommendation in this report.

Any future financial implications pending negotiations, if any, will be discussed in an update report to the Board of Directors, CreateTO, by the first quarter 2023.

DECISION HISTORY

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<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM34.6>

On January 5, 2022, Etobicoke York Community Council adopted item EY29.2 - "Picture Mount Dennis Planning Framework Study - Consultant's Final Report" and directed City Planning staff to advance a Secondary Plan (including an Official Plan and Zoning By-law Amendment) for the Picture Mount Dennis Planning Framework Study area.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EY29.2>

COMMENTS

City-Owned Real Estate Assets at 1169 Weston Road and 4 Hollis Street

The Mount Dennis neighbourhood is a rapidly growing community in the City's west end and will see major change due to the impending completion of the Eglinton Crosstown rapid transit line. The future Mount Dennis transit station is the current west-end terminus of the new Eglinton Crosstown LRT, and as a Major Transit Station Area, has the opportunity to deliver greater densities as per Provincial and Municipal planning policy.

The Subject Property is a City-owned real estate asset that is currently operating as a surface carpark (Carpark #651) operationally managed by the Toronto Parking Authority (TPA). This Carpark maintains 47 surface parking spaces in an irregular shaped property with frontage on both Weston Road and Locust Street.

The Subject Property is immediately surrounded by low-rise commercial buildings on Weston Road, residential dwellings on Locust Street, and another City-owned real estate asset, the Mount Dennis Community Hall (Community Hall) at 4 Hollis Street. This specific surface Carpark runs an annual deficit (based on figures from 2021).

The Community Hall serves as recreation support for youth-specific programming in addition to office and storage space currently for use by the City's Parks, Forestry, and Recreation Division. The Community Hall may have potential heritage interest and will be reviewed by Heritage Preservation Services for possible listing on the City's Heritage Register.

A Strategic Development Opportunity

Following the request by City Council, and outreach by the Private Landowner, as well as the Toronto Parking Authority (TPA), CreateTO staff conducted due diligence to confirm a strategic property disposition opportunity. CreateTO staff retained

architectural services to prepare various highest and best use massing options on the Subject Property, in consultation with City Planning.

The Private Landowner retains ownership of the following properties municipally known as 1161 to 1179 Weston Road and 7 to 17 Locust Street. The Private Landowner prepared a comprehensive development scenario utilizing the Subject Property in combination with their lands to create a highest and best use development outcome based on this potential land assembly. The potential land assembly and development scenario is presented in Confidential Attachment 1.

CreateTO, working with Corporate Real Estate Management (CREM), retained KPMG to complete a third-party land value appraisal of the various massing scenarios. The specific outcome of this appraisal is discussed in Confidential Attachment 1.

The financial and strategic analysis is available in Confidential Attachment 1.

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SIGNATURE

Vic Gupta
Chief Executive Officer
CreateTO

ATTACHMENTS

Confidential Attachment 1 - Strategic Directions